

UNITED STATES BANKRUPTCY COURT  
DISTRICT OF NEW JERSEY

IN RE: . Case No. 22-19361-MBK  
BLOCKFI INC., et al., .  
Debtors. . 402 East State Street  
Trenton, NJ 08608  
. January 30, 2023  
..... 10:01 a.m.

TRANSCRIPT OF MOTIONS HEARING  
BEFORE HONORABLE MICHAEL B. KAPLAN  
UNITED STATES BANKRUPTCY COURT JUDGE

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1                   THE COURT: Good morning, everyone. This is Judge  
2 Kaplan. Hopefully you all can hear me, and we don't have any  
3 glitches. This is the BlockFi hearings. And it looks like I  
4 -- bear with me. I spent my weekend reading the pleadings, and  
5 you all spent your weekend settling the matters. I guess you  
6 were more productive than me. So, we will see where we're at.  
7 Let me -- bear with me one moment. All right.

8                   Let me turn to debtor's counsel, and let's hear where  
9 we stand with all the pending matters.

10                  MR. PETRIE: That would be me, Your Honor. Good  
11 morning. Can you hear me clearly?

12                  THE COURT: Yes, I -- we hear you.

13                  MR. PETRIE: Great. Good morning, Your Honor.  
14 Francis Petrie, of Kirkland, on behalf of the debtors. So, I  
15 am pleased to report that as of this morning we've resolved all  
16 outstanding objections for the items that are up for hearing  
17 today, including their bidding procedures as of late last  
18 night, and we're going forward on a consensual basis today.

19                  THE COURT: Always good to hear. I think every judge  
20 would rather spend the time preparing and then hearing a  
21 settlement in any event -- or a resolution.

22                  MR. PETRIE: Exactly. Happy to report that then. So  
23 let's turn to the first item on the agenda, which would be the  
24 bidding procedures motion. That was filed on -- originally a  
25 Docket Number 226. And this morning we filed a further revised

1 proposed form of order, at Docket Number 435, that reflects the  
2 agreement that we reached with the U.S. Trustee and the UCC.

3                   In addition, we filed a declaration of Mr. Brian  
4 Tichenor from Moelis in support at Docket Number 429. Mr.  
5 Tichenor is on Zoom and available to testify if needed. At  
6 this time, I'd like to ask Your Honor to admit his declaration  
7 into evidence.

8                   THE COURT: All right. Let me ask if there are any  
9 objections to admitting Document 429, which is the declaration  
10 of Brian Tichenor in support of the debtor's motion.

11                  All right. I hear no objections. I would assume  
12 there's no request for the opportunity to cross-examine Mr.  
13 Tichenor with respect to his declaration.

14                  I will ask counsel if you can advise me as to the  
15 details of the resolution with the U.S.T. In other words, lay  
16 out for me how the process has changed, or what the agreements  
17 are.

18                  MR. PETRIE: Gladly, Your Honor. Okay. So first, at  
19 a high level -- okay, well, I just want to be sure the  
20 declaration is admitted now --

21                  THE COURT: Yes --

22                  MR. PETRIE: -- at this point.

23                  THE COURT: -- correct.

24                  MR. PETRIE: Okay. So the bidding procedures before  
25 the Court today at a high level, set forth requirements to

1 participate in the bidding process provides parameters for  
2 access to due diligence by acceptable bidders. It sets up the  
3 requirements to participate in the bidding process, and the  
4 circumstances to appoint a stalking horse bidder, as well as  
5 the timing of an auction and final sale hearing.

6 As noted in our pleadings, we've received substantial  
7 interest in the market for (indiscernible) packages. We expect  
8 to receive even more bids going forward. But given the  
9 practical realities of the debtor's circumstances and the  
10 current volatility in the cryptocurrency markets, we need to  
11 act quickly to preserve the value of our assets. So the  
12 bidding procedures are designed to promote a competitive  
13 bidding environment, while minimizing the time spent in the  
14 sell process.

15 So we work closely with the Committee and the U.S.  
16 Trustee to land on the dates and the sale calendar that aligns  
17 with the goals of all parties, and ensures that we can move  
18 quickly and efficiently through this process. So through this  
19 order, I think this is clear that we're looking to engage in  
20 multiple sale processes.

21 The first relates to the debtor's crypto-money  
22 assets. So that's the one that's set forth in the sale time-  
23 line in the order. And I would have a final bid deadline of  
24 February 20th, with an auction to be held at the end of  
25 February.

1                   The current version of the order had the auction  
2 scheduled as February 27th. In the version we submit to  
3 chambers we will likely be moving that to February 28th, with  
4 the sale hearing to be heard the week of March 20th, at the end  
5 of the week, whenever we're able to get an order on file.

6                   As further noted in the motion, we'd like the  
7 flexibility to sell the remaining assets through a plan. And  
8 the motion illustrates certain dates that would adhere to that  
9 time-line as well, all subject to any sort of disclosure  
10 statement motion and solicitation schedule that we'd get  
11 ordered from this Court before we enter.

12                  However the high level time-line basically has for  
13 the customer platform, indication of interest due in mid-  
14 February, with final proposals due at the end of March, with a  
15 second auction to be held on March 27th. So the redline  
16 attached to the proposed order, if Your Honor has that handy, I  
17 can highlight some of the more exciting changes here --

18                  THE COURT: Yes.

19                  MR. PETRIE: -- that helped resolve our issues with  
20 the U.S.T. So --

21                  THE COURT: Go ahead.

22                  MR. PETRIE: So first, in Paragraph 24, to address  
23 the feedback received from the U.S. Trustee with regard to  
24 customer privacy and their objection.

25                  I think it's been well established before this Court

1 that the company's commitment to privacy is second to none.  
2 And although BlockFi's terms of service permit a transfer of  
3 customer data in the event of a sale, we agreed with the U.S.  
4 Trustee nonetheless on the appointment of a consumer privacy  
5 ombudsman with respect to any sale of assets that contains  
6 personally identifiable information.

7 The sale the debtors are currently engaged in is the  
8 sale of mining assets. So the appointment of an ombudsman is  
9 somewhat premature. So accordingly, we worked out language  
10 with the U.S. Trustee to continue to engage with them on the  
11 timing of appointment of a CPO, and we will agree to have one  
12 appointed once a sale implicates personal information.

13 THE COURT: All right.

14 MR. PETRIE: Second, to alleviate the U.S. Trustee's  
15 concerns about the appointment of a stalking horse, we built in  
16 a notice concept under which, at the point the debtors seek to  
17 designate one or more stalking horse bidders, we'll file a  
18 notice with the Court, subject to a certain objection period.  
19 That notice will include several things. But a proposed order,  
20 the notice will set out the identity of the stalking horse and  
21 who they are affiliated with.

22 Whether the stalking horse bidder has any connection  
23 to the debtors, other than the bid itself, they'll specify any  
24 proposed bid protections, and attach the stalking horse  
25 agreement. And then that will be subject to objection. In the

1 event there are no objections, we plan to submit an order to  
2 the Court without a hearing. If there are objections, then we  
3 would seek to set a hearing with this Court as to the  
4 appropriateness of that stalking horse. So --

5 THE COURT: Is there still -- I'm sorry. Is there  
6 still the two-day limit as to holding a hearing that was in one  
7 of the initial -- earlier drafts?

8 MR. PETRIE: So in the -- so there's a two-day notice  
9 period, but we seek to have a hearing with the Court when you  
10 are available. We obviously can't limit your schedule. So in  
11 the draft that we submit to chambers it'll be no earlier than  
12 two business days to account for the notice period, but  
13 obviously we cannot make that decision on Your Honor's behalf.

14 THE COURT: All right. Because that was my concern.  
15 In Paragraph 7 of a prior version, it said, we'll hold the  
16 hearing on the first date that the court is available, that is  
17 no later than two business days after the notice.

18 MR. PETRIE: Right, but there will be no --

19 THE COURT: And my obvious question is what I'm not  
20 available in two days? I don't want somebody to argue that  
21 there's a breach or a default.

22 MR. PETRIE: No, it would be no earlier to account  
23 for the notice period. We'll amend that in the version we  
24 submit to chambers.

25 THE COURT: All right, thank you. Go ahead,

1 continue.

2 MR. PETRIE: So anyway, to account for that notice  
3 period too, we'll have the auction listed as the 28th, but  
4 we're working to select a stalking horse well in advance of an  
5 auction, and working through the actual documentation with  
6 parties to ensure that we're prepared as soon as possible. So  
7 in a perfect world, this notice period won't run till the  
8 actual outside date.

9 Anyway, Your Honor, those are the major changes that  
10 we made to the bidding procedures. As a whole, we think they  
11 represent a sound exercise of the debtor's business judgment.  
12 They also reflect the expectations of the market. And we  
13 believe they are necessary to maximum the value of our estates.  
14 Does Your Honor have any questions?

15 THE COURT: Do you need as far as the order approving  
16 the procedures to have the March date all ready for the sale  
17 hearing on the mining?

18 MR. PETRIE: So, we have spoken with chambers about  
19 -- so this is the date of the sale hearing --

20 THE COURT: Right.

21 MR. PETRIE: -- which is the week of March 20th,  
22 correct?

23 THE COURT: Right. Do you need a --

24 MR. PETRIE: If we are --

25 THE COURT: Go ahead. I can give you a specific

1 date, if you need to insert it. I don't --

2 MR. PETRIE: I think we'll be seeking the 23rd or  
3 24th, if either of those dates are possible.

4 THE COURT: Let's see. Yes, we can make either work.

5 MR. PETRIE: Great.

6 THE COURT: So --

7 MR. PETRIE: Okay. So we'll just put those dates,  
8 ask the Committee and make sure it works with everyone's  
9 schedules on our side. But in the version we submit to  
10 chambers they will be one of those.

11 THE COURT: Fine. Thank you. Let me hear from both  
12 the Committee and the U.S. Trustee that they are comfortable  
13 with the process. Let me first turn to Mr. Stark. If you want  
14 to just weigh in.

15 MR. STARK: Thank you, Your Honor. I'd like to defer  
16 to my partner, Ken Aulet, if I may?

17 THE COURT: Absolutely.

18 MR. AULET: Good morning, Your Honor. Ken Aulet, of  
19 Brown Rudnick for the Committee. The Committee has no  
20 concerns. We had a number of informal comments that have been  
21 incorporated into the order in agreement with the debtors.

22 THE COURT: All right. Thank you, counsel. Ms.  
23 Bielskie or Mr. Sponder?

24 MS. BIELSKIE: Good morning, Your Honor.

25 THE COURT: Good morning.

1 MS. BIELSKIE: If counsel for the debtor accurately  
2 represented all the changes, the major changes that we  
3 requested, there was a little bit of the time that we agreed to  
4 each provision, which is why they were working on it over the  
5 weekend. But we did have a lot of back and forth, and we're  
6 pleased with the additions and to be able to do this  
7 consensually.

8 THE COURT: All right. Thank you. Is there anyone  
9 else who wishes to be heard? Okay, then, do we anticipate  
10 having a final version sent to us?

11 MR. PETRIE: Yes, Your Honor.

12 THE COURT: All right.

13 MR. PETRIE: We'll send that after this.

14 THE COURT: Send it down to chambers. I think it's a  
15 workable and certainly an expeditious and efficient process  
16 that's contemplated, and we'll all keep our fingers crossed  
17 that it produces a significant result. Thank you.

18 MR. PETRIE: Thank you, Your Honor. And thank you to  
19 the U.S. Trustee and counsel for the Committee for working on  
20 it with us, on this, especially over the weekend, if I hadn't  
21 said that formally yet.

22 THE COURT: Well, all right.

23 MR. PETRIE: So let's move on to the next item on  
24 today's agenda, the debtor's bar date motion.

25 THE COURT: Yes.

1                   MR. PETRIE: First, we filed a second declaration  
2 here by Mark Renzi, who's the debtor's chief restructuring  
3 officer in support of the bar date motion. Mr. Renzi's  
4 declaration was filed at Docket Number 429. Mr. Renzi is on  
5 the line and available to testify if need be.

6                   And so unless Your Honor has any questions, or  
7 anybody would like to cross-examine Mr. Renzi as to the  
8 reasonableness of the bar date, I'd like to move Mr. Renzi's  
9 declaration into evidence as well.

10                  THE COURT: All right. Well, let me open it up to  
11 counsel. Are there any issues or concerns with the Court  
12 accepting into evidence the declaration? All right. Thank  
13 you, Mr. Renzi. I appreciate your time, and we'll mark the  
14 declaration as admitted.

15                  MR. PETRIE: Thank you, Your Honor.

16                  THE COURT: You're welcome.

17                  MR. PETRIE: The bar date motion was filed at Docket  
18 Number 225. In the motion we seek an order setting the bar  
19 dates, approving the form and manner of service of the bar date  
20 notices, and improving procedures for submitting proofs of  
21 claim.

22                  We didn't receive any formal objections to this  
23 motion, but we worked collaboratively with the U.S. Trustee and  
24 the Committee to incorporate their suggestions into the revised  
25 proposed order, which was filed yesterday at Docket Number 431.

1 There are a couple of changes that are reflected in the redline  
2 that I'd like to briefly address for Your Honor.

3 THE COURT: Yes, please.

4 MR. PETRIE: First we extended the general claims bar  
5 date by approximately two weeks from our original request to  
6 March 31st, to allow creditors additional time to fill out and  
7 submit their proof of claim forms. So that will allow for a  
8 total of 79 days after January 11th, which was the date we  
9 filed schedules and SOFAs.

10 And later, in Paragraph 7, we incorporated language  
11 that makes it clear the debtors will not seek to disallow  
12 proofs of claims solely on the basis that a client submitted it  
13 against the wrong debtor. In the event that that happens, we  
14 would instead work to modify that proof of claim, so the  
15 liability sits at the appropriate box rather than to wholesale  
16 disallow them.

17 Third, in Paragraph 12, we extended the supplemental  
18 deadline for a claimant to file a proof of claim, if for some  
19 reason we have to re-serve those individuals to 30 days after  
20 they finally get re-served.

21 And finally, in Paragraph 14, we've included language  
22 surrounding Kroll's authority to maintain a redacted public  
23 claims register, which is consistent with the interim redaction  
24 order filed at Docket Number 53, and subject to Your Honor's  
25 entry of a final order with respect to redactions at a later

1 date.

2 THE COURT: All right.

3 MR. PETRIE: But I'd also like to take --

4 THE COURT: Go ahead.

5 MR. PETRIE: I'd also like to take a brief moment to  
6 flag for the Court that we've attached three client's specific  
7 proof of claim forms to the proposed order at Exhibits 1, 2,  
8 and 3. I think that these are pretty novel.

9 Each of the specific product proof of claim forms is  
10 a customized version of the official form, and it was designed  
11 to be as user friendly as possible for the debtor's thousands  
12 of clients, some of whom are only aware of their holdings and  
13 alternative currency aside from U.S. dollars.

14 So each of these three proof of claim forms tie to  
15 one of the debtor's product offerings. So if you look, there's  
16 one for wallet accounts holders, one for interest bearing  
17 account holders, and one for those clients who posted loan  
18 collateral.

19 So, first to be clear, any creditor can choose not to  
20 use these personalized proof of claim forms, and can use the  
21 official form instead. But these supplemental proof of claim  
22 forms will ultimately streamline the claims process on the back  
23 end, so the debtors can make distributions more quickly, and  
24 will allow clients to more easily submit their claims in a way  
25 that makes sense to them.

1                   So each client will receive the applicable form by  
2 mail or e-mail, based on how their claims are scheduled. And  
3 if a client has more than one of these, they will receive  
4 multiple versions of the form.

5                   I also would like to note that they'll have the  
6 ability in Item 7(a) on the form itself, to put the dollarized  
7 value of their claim. And they'll also in 7(b), have the  
8 opportunity to put the type of cryptocurrency that they believe  
9 they are owed in kind.

10                  We included also in Item 7(b), the price of each type  
11 of crypto-coin on the bidder's platform as of the petition  
12 date, so debtors will be able to use multiplication to  
13 calculate their dollarized claim if they're so inclined, and  
14 (indiscernible) to how the debtors are -- what went into the  
15 debtor's scheduling and understanding of their claim.

16                  And I'd just also like to point out that any non-  
17 client creditors, so somebody like a vendor, would receive the  
18 official proof of claim form and none of these things. But  
19 we've made efforts to basically make this as client friendly  
20 and user friendly as possible.

21                  THE COURT: All right. I have a couple of inquiries,  
22 and I'm not sure you all have the answers. Well, first,  
23 Paragraph 13, with respect to the publication of the bar dates.  
24 And I won't editorialize as to my thoughts on using the New  
25 York Times. But I don't see any reference to social media,

1 whether it be Twitter --

2 MR. PETRIE: Oh --

3 THE COURT: -- whether it be Instagram. Is that also  
4 contemplated? And the reason I ask, and my -- I've also been  
5 familiar -- I've been reading some articles on some of the  
6 stumbling blocks for customers and creditors who are  
7 internationally based. And they're not facile with the English  
8 language, and they're struggling with the forms.

9 And so, my thoughts are, as far as notice, I want to  
10 make sure that we go beyond the Times -- I do see CoinDesk, but  
11 what outreach is contemplated?

12 MR. PETRIE: Well, we regularly do communicate with  
13 our clients via our Twitter platforms, and put banners on the  
14 user interface on the app and website as well. We could  
15 communicate -- I hear you loud and clear, Your Honor, that  
16 you'd like to see some things along those lines, so we will  
17 certainly be doing one, if not many of those, to make sure that  
18 there's proper outreach to clients.

19 We recruited communications advisors to make sure  
20 that these are digestible messages and disseminated widely.  
21 And we can definitely do that with the submission of proof of  
22 claims form. We did have a communications package put  
23 together, so that people can actually understand what this is.  
24 And as always, we'll have, you know, forms of communication and  
25 outreach and hotlines in the event that anybody needs

1 assistance with filling these things out.

2 THE COURT: Great. Any other -- anybody else want to  
3 weigh in or have any thoughts? All right. I want to make sure  
4 because I've learned of some stumbling blocks that in the other  
5 cryptocurrency bankruptcy filing, Celsius, I think, that  
6 there's been some burdens on foreign customers. I just want to  
7 make sure that we get sufficient notice, and support those  
8 efforts so they understand the process. Mr. Stark?

9 MR. STARK: Your Honor, I only wish to raise my hand  
10 to say that we are also extremely in tune to this issue. We  
11 have our own media process that we're beginning to think  
12 through. It's obviously something we want to be very cautious  
13 and work with the debtors about.

14 But we have our own Twitter account up and running.  
15 We have something that we're going to start to try to  
16 communicate better to community -- we too have read about the  
17 issues that Your Honor has as well, and we're very concerned  
18 about them as well. But we won't do this without the debtor's  
19 support and understanding, so that we don't send mixed messages  
20 or improper messages to the community.

21 But I only wanted to raise my hand to say we too will  
22 be working towards the social media outlets as well. We try to  
23 achieve (indiscernible) the issue that Your Honor has just  
24 touched upon.

25 THE COURT: Great. I appreciate it. Thank you. Mr.

1 Petrie, continue, or is there anything else you wish to add to  
2 the motion?

3 MR. PETRIE: No, that's it, Your Honor. Unless Your  
4 Honor has any more questions, we respectfully ask that you  
5 enter the order.

6 THE COURT: All right. Does anyone else wish to be  
7 heard on the matter? U.S. Trustee, Ms. Bielskie, are you  
8 comfortable with the changes?

9 MS. BIELSKIE: Thank you, Your Honor. Yes, one of  
10 the things we were most concerned about was that the creditors  
11 wouldn't be harmed if they selected the wrong debtor,  
12 (indiscernible) the debtor (indiscernible) again. So the  
13 language that we've agreed to resolved that issue.

14 THE COURT: Great. Thank you, Ms. Bielskie. Anyone  
15 else? All right. Again, I am -- I appreciate the work that  
16 went into reaching resolutions. I think the proposed process  
17 is innovative and also will hopefully produce the greatest  
18 exposure and notice available for the creditor body to take  
19 part in this process and to ensure transparency. I thank all  
20 of the professionals. I'll await a final form of order be  
21 submitted to chambers.

22 MR. PETRIE: Great. Thank you, Your Honor. One  
23 other agenda item that's on here is the Moelis retention  
24 application. That is not scheduled for hearing today now.  
25 Since the Committee's objection has been resolved, they've --

1 we -- and they've extended the objection deadline with respect  
2 to the U.S. Trustee, as the workout language to getting an  
3 amenable form of order.

4 That item is not up for hearing today. The extension  
5 deadline extends past the point of this hearing. In the event  
6 that it needs to be heard, we plan to set it for another  
7 hearing, but we're hopeful that they'll reach consensus and we  
8 can just submit an order to chambers.

9 THE COURT: I'm hopeful as well. My understanding is  
10 that our next date that we have is February 21. I think it's  
11 an omnibus date, and then followed by March. Obviously, if we  
12 need dates in advance of that, I'd rather ensure that all  
13 professionals are onboard, and we resolve the matters. We can  
14 adapt, otherwise, February 21.

15 One thing I would ask, the -- I believe the wallet --  
16 the release of the customer funds and the wallet, that motion  
17 has been carried to the 21st. I think it would be important to  
18 have, at a bare minimum, if -- I'm assuming we address it. If  
19 we don't address it on that day, an update as to where we are  
20 to answer the concerns that are out there for the public and  
21 for the customers.

22 This chambers as well as you all are receiving  
23 substantial number of inquiries as to the timing, and I think  
24 we need to address it, or at least give an update.

25 MR. PETRIE: Thank you, Your Honor. Definitely

1 noted.

2 THE COURT: All right. Any other issues that anyone  
3 wishes to put before the Court?

4 MR. PETRIE: I believe my co-counsel at Haynes and  
5 Boone, Mr. Kanowitz, would like to provide a status update with  
6 regards to the adversary proceeding.

7 THE COURT: That's correct. Yes, thank you. Good  
8 morning, Mr. Kanowitz.

9 MR. KANOWITZ: Good morning, Your Honor. Richard  
10 Kanowitz, Haynes and Boone, co-counsel for the debtors and  
11 debtors in possession. Thank you, Your Honor, for hearing us  
12 on such short notice as to the update.

13 A couple things. But just to keep you in the loop  
14 and keep everyone apprised of what's going on in this  
15 jurisdiction and others.

16 So, on January 27, the court in Antigua granted Sam  
17 Bankman-Fried's motion to stay the liquidation proceedings.  
18 There'd be granted leave to appeal, which he must file within  
19 21 days of that order. And then they also stayed the  
20 liquidation proceedings. So there's no decision expected  
21 anytime soon out of that court --

22 THE COURT: Okay.

23 MR. KANOWITZ: -- concerning whether or not Emergent  
24 will be wound up, and that the petition that was filed and  
25 sought to be heard last week would be granted. We understand

1 that there may be additional litigation coming out of Antigua  
2 between Mr. Sam Bankman-Fried, as well as the JPLs there  
3 concerning their powers.

4                   So notwithstanding the fact that there's a stay  
5 pending appeal on the liquidation, the JPLs are still empowered  
6 under certain prior orders, and the scope of those powers as we  
7 discussed previously, touched upon whether or not they were  
8 going to bring any action against the pledge, and guarantee  
9 that Emergent provided the BlockFi. So we're on a wait and see  
10 approach to see what unfolds there.

11                  I can tell you that the JPLs have also sought a  
12 funding agreement with Fulcrum Distressed Enterprises, to be  
13 able to fund their litigation and wind down. Not surprising  
14 that they're seeking to pay back Fulcrum with any and all value  
15 that they received from the Robinhood shares. I will see --  
16 we'll see how that plays out now given the fact that there is a  
17 stay pending appeal, and that liquidation proceeding is, I  
18 guess, on hold until such further order of that court.

19                  As to the proceedings here, Your Honor, we're still  
20 working on the amended complaint. Our anticipatory filing is  
21 this week. We are discussing with the DOJ certain issues that  
22 they have raised, so our dialogue with the DOJ is continuing.

23                  I note for Your Honor, that we do have a scheduling  
24 order of December 30th that will need to be amended. The goal  
25 hopefully will be once we file the amended complaint, is to

1 have the parties who are involved in the adversary proceeding  
2 agree to a new scheduling order. If we can't agree to a  
3 schedule order, we'll ask for a chamber's conference.  
4 Hopefully Your Honor would grant that by Zoom, and we can  
5 discuss the issues that might arise between the parties.  
6 Hopefully there won't be any, but I just want to, you know, put  
7 -- point that out there.

8 Right now under the scheduling order, the original  
9 date to move our answer against the original complaint is  
10 February 15th. We've agreed in writing to extend that to March  
11 15th. Like I said before, we do not plan to hold up anybody or  
12 to jam them.

13 As when we file the independent complaint, likewise,  
14 our goal is to have that be determined or at least responded to  
15 by March 15th. Of course, Your Honor, to further discussion  
16 with parties in interest and getting before Your Honor a  
17 proposed scheduling order.

18 THE COURT: All right. I thank you. I appreciate  
19 the progress report and the developments as they unfold. I  
20 think it's a complicated issue, on several issues. All right.  
21 Anyone else? Mr. Dorchak?

22 MR. DORCHAK: Good morning, Your Honor. Can you hear  
23 me?

24 THE COURT: Yes, I can. Thank you. Good morning.

25 MR. DORCHAK: I'm Joshua Dorchak, Morgan, Lewis and

1 Bockius, LLP. We're counsel to the JPLs of the Antigua entity.  
2 I just want to speak up to say, my understanding of what's  
3 happened recently is different from Mr. Kanowitz's slightly.

4 For example, I believe it was the Appellate Court  
5 that issued a stay, not the court below. That there was a  
6 stay, and there may be further activity, I (indiscernible) the  
7 funding issue. I believe that's all been ex parte, so I don't  
8 know why Mr. -- how Mr. Kanowitz knows about it, but I don't  
9 want to speak to it.

10 And the issue of whether there's going to be a debate  
11 about the shares down in Antigua, I mean, it's been weeks now.  
12 We keep getting these suspicious comments, Your Honor, but  
13 there's nothing going on in Antigua now and there's a stay. So  
14 nothing's happening about the shares in Antigua, Your Honor, as  
15 I keep repeating every time I show up there. So, there may be  
16 further activity, but it's not going to be in the nature of  
17 asking if Antiguan court to decide (indiscernible), Your Honor.

18 THE COURT: All right, fair enough. Thank you.  
19 Anyone else wish to be heard? All right then. I think that  
20 does it for the items on the agenda. I appreciate your time,  
21 and I guess we'll be speaking again on the 21st, unless  
22 something pops up sooner. All right. Thank you, all. Take  
23 care. Court is adjourned.

24 MR. DORCHAK: Thank you, Your Honor.

25 \* \* \* \* \*

**C E R T I F I C A T I O N**

I, KIM WEBER, court approved transcriber, certify that the foregoing is a correct transcript from the official electronic sound recording of the proceedings in the above-entitled matter, and to the best of my ability.

/s/ Kim Weber

KIM WEBER

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DATE: February 22, 2023